

Opening Statement for Chairman Joe Pitts
Energy and Commerce Committee Subcommittee on Health Hearing on
“IPAB: The Controversial Consequences for Medicare and Seniors.”
July 13, 2011

Today’s hearing on the Independent Payment Advisory Board comes at a crucial time. It is a crucial time for health reform in general. It has been almost 16 months since the passage of president Obama’s massive overhaul of the health care system. And, as the multitudes of provisions in the law go into effect, we are beginning to get an idea of how our health care system would look under PPACA. The fundamental concept underlying the administration’s approach to health reform is that the government, or a group of government appointed experts, knows better than patients and their doctors which health care services are valuable.

It is also a critical time for the Medicare program in particular. A quick look at a few numbers will remind us of the importance and timeliness of today’s hearing. Ten thousand people become eligible for Medicare every day and according to the program’s own actuaries, the program faces costs not covered by the Medicare tax of more than \$30 trillion over the next 75 years. This staggering amount of money is more than double the current national debt.

One of the most worrisome provisions in PPACA and a provision that highlights the administration’s fundamental approach to health reform is the creation of the Independent Payment Advisory Board or IPAB.

The IPAB embodies what is objectionable in the President’s health care system overhaul and how the administration’s approach to health reform is fundamentally different from the Republican reform proposal. President Obama’s health reform legislation was pushed through Congress without meaningful bipartisan debate. In like fashion, the recommendations of IPAB will be pushed through Congress with very little time for discussion or for the development of realistic alternatives to these recommendations that will then become law.

The IPAB is likely to profoundly influence the future of Medicare and even the health care system in general. In fact, the panel of 15 experts that will make up the board will arguably have more influence over health care than any person, group of people, organization or government agency has ever had; more than patients, physicians, professional organizations, MedPAC, CMS or even Congress.

However, we need be clear about one thing: this isn’t about ‘death panels.’ The intent of creating IPAB was not to kill seniors. But Democrats do believe that the best way to cut Medicare costs is to give an unaccountable board the power to limit treatment options. We disagree. We believe the solution to fighting costs is to give patients more power, more control and more choices. Why should anyone – especially a government appointed expert – second-guess patients and doctors?

It is encouraging that there is widespread opposition to the IPAB. Physician groups, hospitals, consumer groups, patient advocacy groups, and others have all voiced their concern over the board. There is even bipartisan opposition in Congress. This is not surprising, since the decisions of the board will become law by a fast track process that will bypass the usual legislative procedures, in effect superseding the customary jurisdiction of committees like this one. As Representative Pete Stark was recently quoted as saying when asked about IPAB, “Why have legislators?”

The time for substantial Medicare reform is now and the decisions about how to achieve the necessary reform are crucial and fundamental to the future of the program. The Democrats would leave these decisions to 15 unelected, unaccountable government appointees. We believe that current and future Medicare beneficiaries know better.

I thank the witnesses for agreeing to participate in this important hearing and I look forward to their testimony.